

LAND BOARD AGENDA TONGUE RIVER RANCH

At the November Board meeting the Land Board authorized the Department to move forward with the purchase of the Tongue River Ranch subject to four contingencies. Following is a listing of those contingencies and the status of where the Department and Landers are in resolving associated issues.

- Clarification of Legal Access:

Status: Custer County initiated a process to declare the roads as county roads that access the ranch. Custer County has not concluded this process at this time. This process may take over a month to complete.

- Purchase Price: The purchase price to be paid for the property by the State shall be no greater than the appraised value. Private funding may be obtained for the difference between the appraised value and the purchase price of Five Million Dollars (\$5,000,000).

Status: The appraised value of the property is \$4,800,000. The Department is currently working to establish partners to secure the difference between the appraised value and the purchase price.

- Environmental Remediation: Because evidence of potential site contamination is present upon the property, the State agrees to conduct a Phase II environmental review of the dumps, stained soils, and barrels of materials present upon the property. An environmental investigation and a report of the findings was to be completed by the Department on or before December 18, 2006.

Status: The Department has delayed action until such time that we have more information on the status of legal access to the property.

- Extension of time from November 20, 2006 to December 18, 2006 that the earnest money remains in escrow.

Status: The earnest money will remain in escrow in the State's name until such time that the above issues are resolved.

The Director requests that the Land Board approve extending the timeframe from December 18, 2006 to January 20, 2007 to resolve the above contingencies.